



Ninety-Eighth Legislature - First Session - 2003  
**Introducer's Statement of Intent**  
**LB 631**

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**Chairperson:**        **Floyd P. Vrtiska**  
**Committee:**        **Business and Labor**  
**Date of Hearing:**    **March 10, 2003**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 631 would adopt the Professional Employer Organization Registration Act. It would recognize and define professional employer organizations. It would also define the relationship between the PEO and an employer, and between a PEO and an employee. It would require PEOs to register with the Department of Labor, providing required information to the department. PEOs would also have to maintain a certain level of net worth or post a bond for security. Professional employer agreements would have to include terms which would specify certain obligations and rights of the employer and the PEO. The bill requires that the agreement specify which party would have the obligation to purchase workers' compensation insurance and would extend the exclusive remedy protection to both.

**Principal Introducer:** \_\_\_\_\_  
**Senator Chip Maxwell**